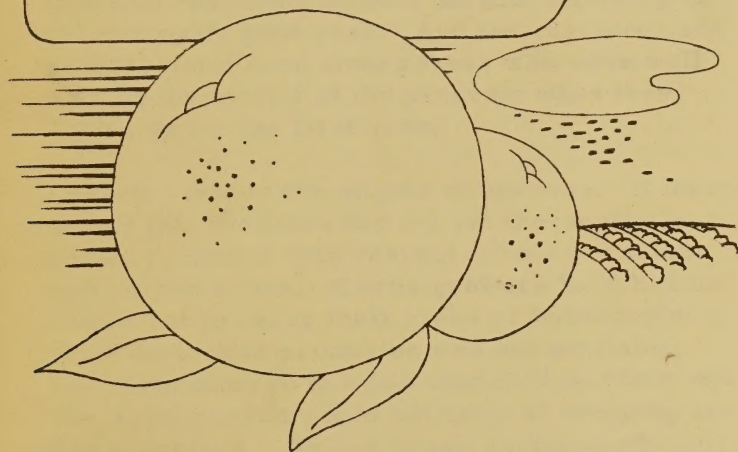


1952
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Cap 2

CITRUS CROP INSURANCE *Sales Handbook*



FEDERAL CROP INSURANCE PROGRAM
POLK COUNTY, FLORIDA

U. S. DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION

[1952]

CITRUS CROP INSURANCE

The citrus crop insurance program starting its second year is confronted by a problem common to all new insurance ventures.

In a word, it is the hazard of losing policyholders - people dropping out before they have had a chance to enjoy anything but the intangible benefits of the insurance program. Quite understandably, this reversal often strikes hardest following an exceptionally good year. And the characteristic asserts itself even among those who were well sold on the merits of the program when they signed up for the first year.

Largely, this is the stigma of newness. It merely means that the folks are not yet thoroughly insurance-minded with respect to this particular type of protection. Citrus growers have had no choice but to carry their risks as individuals since insurance protection was not available. The temptation is to again chance it on their own. The same person would not think of dropping his fire insurance. He has grown accustomed to it. He would be worried, uneasy, if he had to go without it for a single day. He is keenly aware of its protective value. Perhaps he has lost more crops than buildings, but he has not been conditioned to think in those terms. Crop insurance,

and particularly citrus insurance, has not been around long enough. So this spirit of newness is the biggest handicap just now.

THEY LEARN TO APPRECIATE IT

Many people come back in the other crop insurance programs after going it alone for a season. They have told about their anxious moments. One wheat grower who returned to the fold about a year ago after skipping a year said he thought about his unprotected crop every day until after he completed harvest, although he had gone many years without a loss and had built up a reserve entitling him to a personal premium discount when he cancelled out. He had sacrificed those benefits by breaking the continuity of his contract, but he started out anew without one murmur. He said it was the price he had to pay to arrive at a true appreciation of the policy's value, and that it was worth the price - that he had learned his lesson the hard way.

So do not be taken by surprise if a number of policyholders indicate their intent is to drop out. It's just a part of the natural reaction. It is not necessarily a rejection of the program. It merely brings up the need for another selling job.

INSURANCE IS THE BUSINESS WAY

Some citrus growers may consider the amount of protection offered under the insurance program

as unattractive when compared with past or potential income from their crops based on favorable or even normal conditions. You know, of course, that insurance protects against the abnormal year when partial damage occurs and the most unfavorable conditions when losses may be total. The fact that many growers have not suffered a total loss or even serious damage does not mean that it will never happen, but only that they have been fortunate in this respect. It could happen this year. Insurance protects against disasters that the insured hopes won't occur. Insurance is carried by most business enterprises, not because a loss is expected but because experience has convinced good businessmen that sound business operations require protection of the investment against unavoidable loss. Businessmen think of insurance in terms of their position if a loss should occur, and not in terms of their chances of collection. As businessmen, they hope they will have the good fortune of never collecting on their insurance.

EXPERIENCE WILL BE GUIDE TO IMPROVEMENTS

Crop insurance protection was offered on citrus in 1951 because of the persistence of business-minded growers who recognize the importance of a sound insurance plan to the security of the industry. Their continued participation is essential if a well-rounded program embracing sound and desirable features is to be worked out.

The people of Polk County who assisted in the development and introduction of citrus insurance there are entitled to a great deal of credit. The job, of course, has just started. Since experience is needed to guide program developments, its future progress will depend upon local people who understand and believe in the program and their ability to retain and increase grower support through participation.

PROGRAM PROVISIONS

PROTECTION PROVIDED

The Citrus Crop Insurance policy provides protection against damage to the citrus crop due to hurricane, tornado, freeze, and hail. No loss will be paid unless the average percent of damage over the entire insurance unit from one or a combination of these causes is 10% or more.

It does not, of course, cover damage to trees, blossoms, or losses resulting from avoidable causes such as neglect or poor grove practices or damage due to any other cause than the four risks listed above.

The protection begins on May 1, 1952, and ends when the fruit is picked, but not later than June 30, 1953.

WHO MAY INSURE

A landlord, owner-operator, or tenant may file an application to insure his interest in the citrus crop. When the application is accepted, a Federal crop insurance policy will be mailed the producer. Each individual must apply for insurance in order for his share in the crop to be insured. Generally, only one application from a person is necessary. An application signed in an individual capacity will also cover the applicant's interest as a co-owner and as a joint-operator. In these cases each interested person should file a separate application. However, in the case of a person who desires insurance on groves operated by him in an individual capacity and also on groves operated by him in a representative or fiduciary capacity (agent, administrator, executor, guardian, etc.) or on other groves operated by a partnership in which he is a partner, separate applications must be filed.

ACREAGE AND KINDS OF FRUIT INSURED

The policy will cover all insurable groves of all varieties of oranges, grapefruit, and tangerines in the county in which the insured has an interest on May 1, 1952. (Tangeloes will be considered as mid-season oranges.) Only groves for which a coverage and premium rate have been established are insurable. Groves which have a productive capacity of less than 100 boxes per acre are not insurable. The applicant cannot insure

only a portion of the groves in the county in which he has an interest.

INSURANCE UNITS

While one policy covers all of the insurable groves in which the insured has an interest, losses are settled separately on each insurance unit. In determining the groves which constitute an insurance unit it is necessary to consider the different persons sharing in the crop.

All of the insurable groves in the county in which the insured has 100% interest in the crop on May 1 is one insurance unit.

The policyholder will have as many additional units as he has groves in which different persons share with him in the crop.

AMOUNT OF COVERAGE

For the 1952 crop year the coverage will be \$150.00 per acre for all insurable groves. This coverage will be the same for all kinds of fruit insured and for all insurable areas. The coverage for an insurance unit is determined by multiplying the insurable acreage of citrus on the unit by the insured's interest and the result by the coverage per acre.

PREMIUM

The county office will furnish you maps and an actuarial table from which the premium can be computed. Detailed instructions on figuring the premium are given on page 13 in connection with the preparation of the application. (For convenience in selling, a premium table is included on pages 18 through 22 of this handbook.)

Federal Crop Insurance is actually available to producers at less than cost since the administrative expenses of operating the program are provided by Congress to make it possible for growers to have this needed protection which is not otherwise available to them. Premiums are used only to pay losses to insured producers.

The insured may, through continuous participation, receive a 25% reduction in premium when he has had seven consecutive insured citrus crops (preceding the current crop year) without a loss for which an indemnity was paid.

By incorporating the loss experience in the county in the premium rates periodically, the actual operation of the program in the county determines the rate.

The crop insurance premium is deductible as an operating expense on a grower's income tax return. You may want to stress this point to some producers as it will reduce the net cost of this

protection by the percent of his income tax bracket. Show him how much this might affect the actual cost to him.

LOSSES

An indemnity is payable if the damage due to insurable causes is 10 percent or more on the insurance unit. A check will be issued to the insured promptly after the loss claim is approved. The percent damage will first be determined for each kind of fruit and then averaged to establish the percent damage for all kinds of fruit combined on the entire insurance unit.

The Corporation reserves the right to wait until the end of the picking season to determine the extent of damage. Generally, however, it will be the policy to settle losses caused by hurricane or tornado within 30 to 60 days after the date of damage. All production will be measured in terms of standard field boxes.

In the case of tornado or hurricane damage, the fruit considered to be lost will be that which is knocked or falls from the trees.

In addition to fruit totally lost from freeze or hail, if there is fruit partially damaged by these causes, the number of field boxes of such fruit will be converted to a standard weight box to determine the amount of loss from partial damage. (The standard weight per box will be 85 pounds for

grapefruit, 90 pounds for oranges, and 95 pounds for tangerines.) No loss will be payable under the contract if the average damage for the entire insurance unit is less than 10%.

The amount of loss will be determined by multiplying the percent of damage for the insurance unit by the total coverage for the unit.

You should tell the producer who signs an application that any damage due to an insurable cause which may result in a loss under the contract must be reported in writing to the county office within seven days after such damage occurs.

OTHER IMPORTANT POINTS

TERM OF CONTRACT

The contract is for one crop year only - to cover the 1952 citrus crop.

TRANSFER OF INTEREST

If a person purchases the fruit while it is still on the trees, he may have protection under the insured's contract if the insured executes a transfer of interest form at the county office. The transfer shall be subject to any collateral assignment made by the original insured.

COLLATERAL ASSIGNMENT

The original insured may assign his right to any indemnity as collateral for a loan or other obligation by executing Form FCI-20, "Collateral Assignment," and filing it at the county office. A Federal Crop Insurance policy will make any producer a better credit risk since it may provide the necessary security to enable him to obtain financing. This feature can be stressed to good advantage as a selling point ... from the standpoint of both the producer and the lending or credit institution.

OTHER INSURANCE

The amount of a Federal Crop Insurance indemnity will not be reduced because the producer also carries other insurance covering these same risks.

PREPARATION OF APPLICATION

The applicant's name should be printed or typed in the space provided at the top of the form exactly as it is to be signed.

The state and county code and contract number will be entered later by the county office. Enter the year "2" in the space provided in the heading

of the form to show that the contract covers the 1952 crop year.

Item D: Before the insured signs the application, the entries in Item D, Columns 1 through 5, should be made for insurable groves in the following manner:

Column 1. Enter the name and location or the legal description of each insurable grove. The legal description should be entered if readily available. The name entered for each grove should be the name by which the grove is commonly known. The location entered for each grove should be the number of miles and the direction of the grove from a designated town, and where possible, the number or name of the road on which the grove is located.

Column 2. Enter on separate lines the kind of fruit in each grove identified in Column 1. The kind should be identified as "early oranges," "mid-season oranges," "late oranges," grapefruit," and "tangerines." (Be sure to list each of these on separate lines.)

Column 3. For each kind enter the number of insurable acres of such fruit in the grove in which the applicant will have an interest as of May 1, 1952. Separate lines should be used for each acreage of any kind of citrus when (1) the acreage is located in different premium rate areas, (2) the applicant has or expects to have

different shares in the crop, and (3) different persons share in the crop with the applicant.

Column 4. For each acreage in Column 3 enter the share which the applicant will have in the citrus crop as of May 1, 1952 (All, $3/4$, $2/3$, $1/2$, $1/3$, $1/4$, etc.).

Column 5. Enter the name of the person, if any, who will share with the applicant in the citrus crop on each acreage shown in Column 3.

Column 6. Make no entry.

If the number of lines in Item D is insufficient to list the required data and information for all the insurable groves in which the applicant expects to have an interest, the remaining data shall be listed on an additional Form(s) FCI-112-Citrus, the heading of which shall be prepared as set forth above and clearly identified "Continuation Sheet ____ of ____." In addition, the words, "See Continuation Sheet," shall be entered in the margin of Item D on sheet number (1) of the application.

Identification of Uninsurable Acreage: Identify in this space (a) all acreage which has a 1952-53 productivity capacity of less than 100 boxes per acre, and (b) any other acreage which should not be insured because of the high risk involved even though a coverage has been established.

Item G: You should sign as witness to the applicant's signature and the date of the signature should be entered. When a continuation sheet(s) is used each application should be signed.

Item J: Inasmuch as the applicant must either pay the premium when the application is submitted or execute a premium assignment, the agent should in all cases complete Item J of the application as follows:

Column 7. For each acreage shown in Column 3 (Item D) enter on the correspondingly numbered line in Column 7 the area designation (A, B, or C), for the premium rate area in which the acreage is located.

Column 8. Enter in Column 8 the applicable premium rate per acre, which shall be determined from the actuarial table on the basis of the area designation in Column 7 and the kind of fruit in Column 2.

Column 9. For each acreage shown in Column 3 enter in Column 9 the product of the following computations:

- (1) Multiply the acreage (Column 3) by the applicant's share in the crop (Column 4) rounding the product to tenths of acres.

- (2) Multiply the product obtained in (1) above by the premium rate per acre (Column 8) rounding to cents.

Add the entries in Column 9 and enter the total in the space provided for "total premium."

If the premium is paid when the application is submitted, the amount paid and the date of payment shall be entered in the spaces provided. These two spaces shall be left blank if a premium assignment is executed.

Enter in the space provided the required information concerning the grove manager and marketing agency of the applicant.

If any questions arise concerning the preparation of the application or the computation of the premium, you should contact the county office.

PREPARATION OF PREMIUM ASSIGNMENT

The state and county code and contract number will be entered later by the county office.

Crop Year: Enter "2" in the several blank spaces where applicable to complete the crop year designation - "1952."

Name and Address of Applicant: The applicant's name and address should be printed or typed in the space provided at the top of the form exactly as it appears on the application.

Total Premium: The total premium shown in Item J of the application shall be entered in the space provided.

Name of Marketing Agency: The name and address of the applicant's marketing agency shall be entered in the space provided.

Name of Production Credit Association: If a Production Credit Association has or expects to approve a loan for the applicant which includes funds for the payment of the crop insurance premium, the name of such association shall be entered in the space provided.

Signature of Applicant: Before the applicant signs the form, the entries showing the date and place of signature shall be made. The applicant should sign and the agent should witness his signature in the spaces provided.

SIGNATURES

Applications should be signed with indelible pencil or ink and must be handwritten, not printed. Signatures should include at least one given name, an initial if any, and the surname.

When a person signs in a representative capacity he must show (1) the name of the principal for whom he is acting, (2) his own signature, and (3) the capacity in which he signs.

Following are some examples of signatures correctly affixed:

(1) As an individual:

- a. John T. Smith
- b. J. Thomas Smith
- c. Mary L. Smith

(2) As agent:

- a. John T. Smith, by Henry O. Brown, Agent
- b. Smith and Jones, a partnership, by George E. Miles, Agent

(3) As member of partnership:

- a. Smith and Jones, by John T. Smith, a partner

The above types of signatures cover most cases. If you should obtain an application with a signature that you are doubtful about, call this to the attention of the county office. Should you need additional information regarding the correct manner of affixing a signature, you may obtain it at the county office.

YOUR SALES REPORT

You are required to make regular reports of contacts and sales to the county office on Form FCI-1 Revised that they furnish you.

Information needed for your sales report includes (1) name of each person contacted, (2) date contacted, (3) if application is signed, the number of insurance units covered, and (4) if application is not signed, brief reasons why and whether you will recontact him.

CITRUS PREMIUM TABLE
(Dollars)

NET ACRES	E. & M.S. ORANGES & TANG.				LATE ORANGES			GRAPEFRUIT		
	Area A	Area B	Area C		Area A	Area B	Area C	Area A	Area B	Area C
1	6.45	7.80	9.50		8.90	11.85	15.55	11.45	13.10	15.20
2	12.90	15.60	19.00		17.80	23.70	31.10	22.90	26.20	30.40
3	19.35	23.40	28.50		26.70	35.55	46.65	34.35	39.30	45.60
4	25.80	31.20	38.00		35.60	47.40	62.20	45.80	52.40	60.80
5	32.25	39.00	47.50		44.50	59.25	77.75	57.25	65.50	76.00
6	38.70	46.80	57.00		53.40	71.10	93.30	68.70	78.60	91.20
7	45.15	54.60	66.50		62.30	82.95	108.85	80.15	91.70	106.40
8	51.60	62.40	76.00		71.20	94.80	124.40	91.60	104.80	121.60
9	58.05	70.20	85.50		80.10	106.65	139.95	103.05	117.90	136.80
10	64.50	78.00	95.00		89.00	118.50	155.50	114.50	131.00	152.00
11	70.95	85.80	104.50		97.90	130.35	171.05	125.95	144.10	167.20
12	77.40	93.60	114.00		106.80	142.20	186.60	137.40	157.20	182.40
13	83.85	101.40	123.50		115.70	154.05	202.15	148.85	170.30	197.60
14	90.30	109.20	133.00		124.60	165.90	217.70	160.30	183.40	212.80
15	96.75	117.00	142.50		133.50	177.75	233.25	171.75	196.50	228.00
16	103.20	124.80	152.00		142.40	189.60	248.80	183.20	209.60	243.20
17	109.65	132.60	161.50		151.30	201.45	264.35	194.65	222.70	258.40
18	116.10	140.40	171.00		160.20	213.30	279.90	206.10	235.80	273.60
19	122.55	148.20	180.50		169.10	225.15	295.45	217.55	248.90	288.80
20	129.00	156.00	190.00		178.00	237.00	311.00	229.00	262.00	304.00

NET ACRES	E.&M.S. ORANGES & TANG.			LATE ORANGES			GRAPEFRUIT		
	Area A	Area B	Area C	Area A	Area B	Area C	Area A	Area B	Area C
21	135.45	163.80	199.50	186.90	248.85	326.55	240.45	275.10	319.20
22	141.90	171.60	209.00	195.80	260.70	342.10	251.90	288.20	334.40
23	148.35	179.40	218.50	204.70	272.55	357.65	263.35	301.30	349.60
24	154.80	187.20	228.00	213.60	284.40	373.20	274.80	314.40	364.80
25	161.25	195.00	237.50	222.50	296.25	388.75	286.25	327.50	380.00
26	167.70	202.80	247.00	231.40	308.10	404.30	297.70	340.60	395.20
27	174.15	210.60	256.50	240.30	319.95	419.85	309.15	353.70	410.40
28	180.60	218.40	266.00	249.20	331.80	435.40	320.60	366.80	425.60
29	187.05	226.20	275.50	258.10	343.65	450.95	332.05	379.90	440.80
30	193.50	234.00	285.00	267.00	355.50	466.50	343.50	393.00	456.00
31	199.95	241.80	294.50	275.90	367.35	482.05	354.95	406.10	471.20
32	206.40	249.60	304.00	284.80	379.20	497.60	366.40	419.20	486.40
33	212.85	257.40	313.50	293.70	391.05	513.15	377.85	432.30	501.60
34	219.30	265.20	323.00	302.60	402.90	528.70	389.30	445.40	516.80
35	225.75	273.00	332.50	311.50	414.75	544.25	400.75	458.50	532.00
36	232.20	280.80	342.00	320.40	426.60	559.80	412.20	471.60	547.20
37	238.65	288.60	351.50	329.30	438.45	575.35	423.65	484.70	562.40
38	245.10	296.40	361.00	338.20	450.30	590.90	435.10	497.80	577.60
39	251.55	304.20	370.50	347.10	462.15	606.45	446.55	510.90	592.80
40	258.00	312.00	380.00	356.00	474.00	622.00	458.00	524.00	608.00

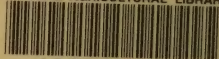
NET ACRES	E.&M.S. ORANGES & TANG.			LATE ORANGES			GRAPEFRUIT		
	Area A	Area B	Area C	Area A	Area B	Area C	Area A	Area B	Area C
41	264.45	319.80	389.50	364.90	485.85	637.55	469.45	537.10	623.20
42	270.90	327.60	399.00	373.80	497.70	653.10	480.90	550.20	638.40
43	277.35	335.40	408.50	382.70	509.55	668.65	492.35	563.30	653.60
44	283.80	343.20	418.00	391.60	521.40	684.20	503.80	576.40	668.80
45	290.25	351.00	427.50	400.50	533.25	699.75	515.25	589.50	684.00
46	296.70	358.80	437.00	409.40	545.10	715.30	526.70	602.60	699.20
47	303.15	366.60	446.50	418.30	556.95	730.85	538.15	615.70	714.40
48	309.60	374.40	456.00	427.20	568.80	746.40	549.60	628.80	729.60
49	316.05	382.20	465.50	436.10	580.65	761.95	561.05	641.90	744.80
50	322.50	390.00	475.00	445.00	592.50	777.50	572.50	655.00	760.00
51	328.95	397.80	484.50	453.90	604.35	793.05	583.95	668.10	775.20
52	335.40	405.60	494.00	462.80	616.20	808.60	595.40	681.20	790.40
53	341.85	413.40	503.50	471.70	628.05	824.15	606.85	694.30	805.60
54	348.30	421.20	513.00	480.60	639.90	839.70	618.30	707.40	820.80
55	354.75	429.00	522.50	489.50	651.75	855.25	629.75	720.50	836.00
56	361.20	436.80	532.00	498.40	663.60	870.80	641.20	733.60	851.20
57	367.65	444.60	541.50	507.30	675.45	886.35	652.65	746.70	866.40
58	374.10	452.40	551.00	516.20	687.30	901.90	664.10	759.80	881.60
59	380.55	460.20	560.50	525.10	699.15	917.45	675.55	772.90	896.80
60	387.00	468.00	570.00	534.00	711.00	933.00	687.00	786.00	912.00

NET ACRES	E.&M.S. ORANGES & TANG.			LATE ORANGES			GRAPEFRUIT		
	Area A	Area B	Area C	Area A	Area B	Area C	Area A	Area B	Area C
61	393.45	475.80	579.50	542.90	722.85	948.55	698.45	799.10	927.20
62	399.90	483.60	589.00	551.80	734.70	964.10	709.90	812.20	942.40
63	406.35	491.40	598.50	560.70	746.55	979.65	721.35	825.30	957.60
64	412.80	499.20	608.00	569.60	758.40	995.20	732.80	838.40	972.80
65	419.25	507.00	617.50	578.50	770.25	1010.75	744.25	851.50	988.00
66	425.70	514.80	627.00	587.40	782.10	1026.30	755.70	864.60	1003.20
67	432.15	522.60	636.50	596.30	793.95	1041.85	767.15	877.70	1018.40
68	438.60	530.40	646.00	605.20	805.80	1057.40	778.60	890.80	1033.60
69	445.05	538.20	655.50	614.10	817.65	1072.95	790.05	903.90	1048.80
70	451.50	546.00	665.00	623.00	829.50	1088.50	801.50	917.00	1064.00
71	457.95	553.80	674.50	631.90	841.35	1104.05	812.95	930.10	1079.20
72	464.40	561.60	684.00	640.80	853.20	1119.60	824.40	943.20	1094.40
73	470.85	569.40	693.50	649.70	865.05	1135.15	835.85	956.30	1109.60
74	477.30	577.20	703.00	658.60	876.90	1150.70	847.30	969.40	1124.80
75	483.75	585.00	712.50	667.50	888.75	1166.25	858.75	982.50	1140.00
76	490.20	592.80	722.00	676.40	900.60	1181.80	870.20	995.60	1155.20
77	496.65	600.60	731.50	685.30	912.45	1197.35	881.65	1008.70	1170.40
78	503.10	608.40	741.00	694.20	924.30	1212.90	893.10	1021.80	1185.60
79	509.55	616.20	750.50	703.10	936.15	1228.45	904.55	1034.90	1200.80
80	516.00	624.00	760.00	712.00	948.00	1244.00	916.00	1048.00	1216.00

NET ACRES	E.&M.S. ORANGES & TANG.			LATE ORANGES			GRAPEFRUIT		
	Area A	Area B	Area C	Area A	Area B	Area C	Area A	Area B	Area C
81	522.45	631.80	769.50	720.90	959.85	1259.55	927.45	1061.10	1231.20
82	528.90	639.60	779.00	729.80	971.70	1275.10	938.90	1074.20	1246.40
83	535.35	647.40	788.50	738.70	983.55	1290.65	950.35	1087.30	1261.60
84	541.80	655.20	798.00	747.60	995.40	1306.20	961.80	1100.40	1276.80
85	548.25	663.00	807.50	756.50	1007.25	1321.75	973.25	1113.50	1292.00
86	554.70	670.80	817.00	765.40	1019.10	1337.30	984.70	1126.60	1307.20
87	561.15	678.60	826.50	774.30	1030.95	1352.85	996.15	1139.70	1322.40
88	567.60	686.40	836.00	783.20	1042.80	1368.40	1007.60	1152.80	1337.60
89	574.05	694.20	845.50	792.10	1054.65	1383.95	1019.05	1165.90	1352.80
90	580.50	702.00	855.00	801.00	1066.50	1399.50	1030.50	1179.00	1368.00
91	586.95	709.80	864.50	809.90	1078.35	1415.05	1041.95	1192.10	1383.20
92	593.40	717.60	874.00	818.80	1090.20	1430.60	1053.40	1205.20	1398.40
93	599.85	725.40	883.50	827.70	1102.05	1446.15	1064.85	1218.30	1413.60
94	606.30	733.20	893.00	836.60	1113.90	1461.70	1076.30	1231.40	1428.80
95	612.75	741.00	902.50	845.50	1125.75	1477.25	1087.75	1244.50	1444.00
96	619.20	748.80	912.00	854.40	1137.60	1492.80	1099.20	1257.60	1459.20
97	625.65	756.60	921.50	863.30	1149.45	1508.35	1110.65	1270.70	1474.40
98	632.10	764.40	931.00	872.20	1161.30	1523.90	1122.10	1283.80	1489.60
99	638.55	772.20	940.50	881.10	1173.15	1539.45	1133.55	1296.90	1504.80
100	645.00	780.00	950.00	890.00	1185.00	1555.00	1145.00	1310.00	1520.00



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